



DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

(B-21-2013)

Foreign-Trade Zone (FTZ) 158 – Vicksburg/Jackson, Mississippi
Notification of Proposed Production Activity
H.M. Richards, Inc.
(Upholstered Furniture)
Guntown, Mississippi

The Greater Mississippi Foreign-Trade Zone, Inc., grantee of FTZ 158, submitted a notification of proposed production activity on behalf of H.M. Richards, Inc. (HMRI), located in Guntown, Mississippi. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on February 28, 2013.

The HMRI facility is located within Site 15 of FTZ 158 and currently has authority to conduct cut-and-sew activity using certain foreign micro-denier suede upholstery fabrics to produce upholstered furniture and related parts (upholstery cover sets) on a restricted basis (see, Board Order 1599, 74 FR 263, 1-5-2009). Board Order 1599 authorized the production of upholstered furniture (sofa, chairs, and recliners) for a five-year period, with a scope of authority that only provides FTZ savings on a limited quantity (3.6 million square yards/year) of foreign origin, micro-denier suede upholstery fabric finished with a hot caustic soda solution process. All foreign upholstery fabric other than micro-denier suede fabric used in HMRI's production within FTZ 158 is subject to full customs duties.

The current request seeks to extend the company's current FTZ authority indefinitely, with an increase to 6.5 million square yards per year for the FTZ Board-imposed limit on the volume of foreign-origin micro-denier suede upholstery fabric. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt HMRI from customs duty payments on the foreign micro-denier suede upholstery fabric used in export production. On its domestic sales, HMRI would be able to apply the finished upholstery cover set (*i.e.*, furniture part) or finished furniture duty rate (free) for the micro-denier suede fabric listed below. Customs duties also could possibly be deferred or reduced on foreign status production equipment.

The proposed scope of authority under FTZ procedures would only involve micro-denier suede upholstery fabrics finished with a hot caustic soda solution process, as detailed in the notification (duty rate ranges from 2.7 to 17.2%). All other material inputs used in the production activity would be in domestic (duty paid) status.

Public comment is invited from interested parties. Submissions shall be addressed to the FTZ Board's Executive Secretary at the address below. The closing period for their receipt is *[insert 40 days from date of publication]*.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the FTZ Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Pierre Duy at Pierre.Duy@trade.gov, or (202) 482-1378.

Dated: April 2, 2013

Andrew McGilvray
Executive Secretary

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